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SUBJECT: CZECH GOVERNMENT FACES A CRITICAL VOTE OF
NO-CONFIDENCE

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[1](#)B. PRAGUE 134
[1](#)C. PRAGUE DAILY MARCH 18 AND MARCH 19
[1](#)D. 08 PRAGUE 758

Classified By: CDA MARY THOMPSON-JONES FOR REASONS 1.4 (B) AND (D).

[1](#)1. (C) SUMMARY: On March 24, the embattled government of PM Mirek Topolanek will likely face a critical vote of no-confidence. PM Topolanek has faced down four previous attempts to unseat him. However, the current situation is probably the most significant threat to his government, in a large part because President Vaclav Klaus appears to be influencing the course of events from behind the scenes. The motivations of the various parties in this unfolding political drama are numerous, including personal animosities, political calculations and, to a limited extent, principles. What appears to be missing however, is a regard for the country's foreign policy interests and international standing. While the outcome of the cliff-hanger vote remains uncertain at the moment, it is clear that if the Topolanek government falls, the Czech Republic's presidency of the EU will be disrupted and the country's image will be damaged. Even if the government survives this challenge, it will be further weakened and going forward more consumed with domestic political concerns. END SUMMARY.

THE PERFECT STORM

[1](#)2. (C) This week, the two opposition parties in the Czech parliament, the Social Democrats (CSSD) and the Communists (KSCM) unleashed a series of attacks that forced the government to retreat on a number of issues, including by withdrawing from the Lower Chamber the two U.S.-Czech missile defense agreements (the BMDA and SOFA). Initially, the opposition's attacks appeared to be motivated by the unusually thin coalition ranks within the parliament. Note: On March 17, when the offensive began, several coalition deputies were absent due to hospitalization or travel. End note. However, as the week's events unfolded it became clear that the opposition's actions were coordinated and were more serious than most initially suspected. The opposition set in motion a process that will culminate in a vote of no confidence, which will likely take place on March 24.

[1](#)3. (C) The suddenness of the opposition's attack and the swiftness with which the events of the past few weeks unfolded surprised many politicians and observers. That the Topolanek government could no longer muster a majority in the Lower Chamber of the parliament was a well known fact. However, CSSD leader Jiri Paroubek had indicated publicly on a number of occasions that he would not seek to destabilize the Topolanek government during the country's EU presidency. Recently, as he watched the global economic crisis unfold and his party's lead in the polls narrow, Paroubek also muted his calls for early elections. Even PM Topolanek expected the

opposition to hold its fire for the foreseeable future. On March 13, Topolanek told former Secretary of State Madeleine Albright that nobody wanted to govern and lead during the economic crisis, including Paroubek. Many parliamentarians with whom emboffs spoke over the past few days confirmed that the unfolding crisis was completely unexpected.

THE PAROUBEK-KLAUS AXIS?

14. (C) Emboffs' recent conversations also revealed that it was not just the opposition that was trying to unseat PM Topolanek. Chairman of the Lower Chamber's Foreign Affairs Committee Jan Hamacek (CSSD), a close contact of the embassy, told emboff on March 19 that the Topolanek government's future would be decided by President Klaus. Hamacek indirectly confirmed rumors that Klaus was coordinating with CSSD leader Jiri Paroubek. Note: PM Topolanek told former Secretary Albright on March 13, that Klaus and Paroubek were working together to undermine him. End Note. Separately, we heard from an ODS MP that Klaus already met with Paroubek and Prague Mayor Pavel Bem, a Topolanek rival in the ODS. Embassy Prague has no way of confirming whether such meeting(s) has indeed taken place. Klaus' much anticipated address on March 20 to the CSSD congress is being taken as another sign of a possible Klaus-Paroubek axis. This timing is noteworthy because Klaus has never attended a CSSD congress before. Note: In his speech, Klaus disappointed those who expected him to speak about the country's current political tensions. Klaus focused on the global economic crisis, and because of the crisis -- the economic, not the

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political one -- he called on the country's political parties to "demonstrate responsibility toward the interests of the country." End Note. After delivering his speech, Klaus had a brief one-on-one meeting with Paroubek at the congress.

15. (C) Beyond his meetings with Paroubek and other Topolanek foes, Klaus may be even more actively engaged. Another ODS MP, who has also been a close embassy contact, told emboff on March 19 that Klaus associates have been calling select ODS MPs in an effort to persuade them to vote against the government during the vote of no confidence. The MP told us that she had received such a phone call, during which she was told that the Topolanek opposition already had the requisite 101 votes in the Lower Chamber to unseat him, but that they would prefer to have more votes in support of the no-confidence motion. The MP was also indirectly promised a possible seat in a care-taker government that would take over if the Topolanek government falls.

16. (C) Despite his formal break with ODS in December 2008, Klaus continues to exercise influence over the party he founded in the 1990s, and he holds the support of a number of ODS MPs. More importantly, he is believed to control the actions of several ODS rebel MPs, especially Vlastimil Tlustý, another Topolanek rival who has shown no scruples in the past while he has pursued his open vendetta against the Prime Minister (ref A). All eyes are indeed on these few rebels, and nearly all have made statements in the press indicating that the current government did not have their confidence, but that they still did not know how they would vote in next week's no-confidence vote. Tlustý stated in an interview in the daily Lidove Noviny that the situation did not look "veryhopeful" for the government. Jan Schwippel, another rebel told emboff on March 19 that he had not yet decided what he would do. Nevertheless, he presented emboff with a long list of grievances against Topolanek. If the four MPs who are most frequently identified as ODS rebels do side with the opposition, then their votes would be sufficient for the opposition to bring down the government. Note: The opposition will need 101 out of 200 votes in the Lower Chamber. CSSD and KSCM together control 97 votes. End Note.

¶7. (C) The spark that ignited this latest firestorm on the Czech political scene was the revelation that PM TopolaneK's close associate Marek Dalik, the eminence grise of ODS politics, tried to influence Czech TV reporting on the case of MP Petr Wolf, who is being investigated for mismanaging public funds. Note: Wolf is one of the infamous MP renegades. He was elected in 2006 on CSSD ticket, but in June 2008 he left the CSSD caucus and has been supporting the TopolaneK government ever since. End Note. Indeed, PM TopolaneK subsequently admitted that he had asked Dalik to help Wolf with his "communication" strategy. While Wolf and the other renegades have been a thorn in CSSD's side, this latest case of media manipulation was little more than a pretext for the events that followed. After all, probably every Czech political party has tried to influence the media at one time or another. Leaking scandals to the media is a favored pastime here. Each party also considers the media as being aligned against it and frequently criticizes journalists as a result. Many observers snickered at Paroubek's self-righteous denunciations of TopolaneK and Dalik and were quick to point out that Paroubek's own eminence grise, former Defense Minister Jaroslav Tvrdik, recently tried to put pressure on the left-of-center daily Pravo by threatening to withhold advertising money from the newspaper.

¶8. (C) Putting the Wolf pretext aside, it appears that several issues could be driving the current effort to oust TopolaneK. With regard to Paroubek, emboffs have heard from a number of sources inside CSSD that Paroubek has become increasingly concerned about the rising popularity of the TopolaneK government. Thanks to the EU presidency boost, TopolaneK's ODS had begun to close the gap with Paroubek's CSSD. TopolaneK would likely continue to benefit from the limelight the EU presidency provides, as well as from the upcoming visit of President Obama and the U.S.-EU Summit. Such rising popularity could be a significant problem for Paroubek, who will face another electoral test in the June 5-6 European Parliament elections. Expectations are high for CSSD to repeat its October 2008 triumph in the senate and regional elections. Falling short would slow CSSD's momentum in advance of the next parliamentary elections, due by June ¶2010. Equally important in Paroubek's case is his personal

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animosity toward TopolaneK and his infamous vanity. Emboffs have heard from several CSSD insiders that Paroubek is convinced that the 2006 parliamentary election had been stolen from him and that the premiership -- and the EU presidency -- should have been his. Finally, Paroubek may also be looking for some short-term gains from the current political turmoil. CSSD will hold its party congress on March 20-22, and Paroubek is facing reelection as chairman. While Paroubek is running unopposed, he has probably calculated that he can truly rally the troops if the government is under attack (ref B).

¶9. (C) When it comes to personal grudges against TopolaneK, MP Tlusty is not far behind Paroubek. Although in the past they had been aligned, their relationship was irretrievably broken when TopolaneK chose Miroslav Kalousek over Tlusty as the Finance Minister. Note: Tlusty served briefly as Finance Minister during the interregnum following the 2006 parliamentary elections. End Note. Since then, Tlusty has been unrelenting in his efforts to undermine TopolaneK. In the past two years, he nearly succeeded in derailing some of the government's economic reforms, he did succeed in stalling the religious property restitution bill, and he upended the government's efforts on missile defense in October 2008 (ref A). Most egregious was his involvement in the so-called "hot tub affair" in which Tlusty cooperated with undercover

reporters to fabricate fake compromising materials, which were then offered to another ODS MP, Jan Morava. When the scandal broke in September 2008, Morava swiftly resigned from the parliament, but the unscrupulous Tlustý remained.

¶10. (C) As opposed to Paroubek and Tlustý, some caught up in this political drama are probably guided by principles. For example, Jan Schwippel told emboff that his biggest problem with the Topolánek government has been the constant compromises that Topolánek has had to make to his coalition partners, especially the Greens. The issue of the Lisbon Treaty has been particularly difficult for conservative euro-skeptics like Schwippel. The fact that Topolánek managed to pass the Lisbon Treaty in the Lower Chamber and was leaning heavily on the Senate to do the same is, in Schwippel's eyes, the ultimate betrayal of ODS principles. Note: Lisbon Treaty ratification may indeed be affected by the events of this past week. Already, ODS Senators have stated that they would not vote on Lisbon, until after the Lower Chamber approved the U.S.-Czech missile defense agreements. Since Topolánek was forced to withdraw the MD agreements from the Lower Chamber on March 17 (ref C), Senate action on the Lisbon Treaty will likely be delayed as well. End Note.

KLAUS' POWER GRAB

¶11. (C) If, as it appears, Klaus is also an active participant in the effort to unseat Topolánek, it may seem counterintuitive at first glance that the "founding father" of ODS would seek to bring down an ODS prime minister and party chairman. However, this is not the first time that Klaus has sought to bring down PM Topolánek. Last fall, Klaus openly sided with Topolánek's challenger for the ODS chairmanship, Pavel Bém. When it became clear that Bém would lose, Klaus resigned as the party's honorary chairman at the December 2008 ODS congress (ref D). With regard to the present anti-Topolánek effort, several explanations readily offer themselves. First among them is Klaus' deep animosity toward Topolánek. Although Topolánek engineered Klaus' two presidential victories, the two men never became close. Topolánek is much more of a pragmatist, and he does not share Klaus' euro-skepticism. Moreover, Klaus never envisioned that Topolánek would succeed him as ODS chairman in 2002. When Topolánek defeated Klaus' heir apparent, Bém, Klaus was deeply disappointed. Note: The December 2008 Topolánek-Bém ODS chairmanship race mentioned above was a rematch of this 2002 duel. End Note. Klaus' disappointment probably continued to build over the years because Topolánek has never been a Klausophile and he has unabashedly charted his own course for the party.

¶12. (C) Beyond these historic and personal reasons, Klaus may also be driven by a desire to exercise greater influence over Czech politics. Although the Czech presidency is largely a ceremonial role, it is quite powerful in times of government crises. If the no-confidence vote were to succeed on March 24, it would be up to Klaus as President to decide whether he would ask Topolánek and his government to continue to govern as an outgoing government ("vlada v demisi") and for how long. CSSD first deputy chairman Bohuslav Sobotka has suggested in an March 19 interview that his party would

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be prepared to tolerate such a government until the end of the Czech Republic's EU presidency. Thereafter, Sobotka signaled that a care-taker government would take over. Again, it would be up to Klaus to decide when to name the new care-taker government and who would compose it. In short, during an interregnum, Klaus would wield significant political power, and it is no secret that Klaus likes power and enjoys political machinations. Note: The one issue that Klaus cannot decide on his own is early elections. Early elections would have to be approved by a constitutional

majority in the Lower Chamber (120 out of 200 votes); in other words, Topolanek,s ODS and Paroubek,s CSSD would have to agree. End Note.

VOTE COUNT HARD TO PREDICT

¶13. (C) Although it is widely rumored that the opposition, with the help of the various rebels, does have the necessary 101 votes, it is too early to make the final call. Topolanek is no novice when it comes to political wheeling and dealing, as his ability to peel off CSSD MPs has repeatedly shown over the past two years. The last vote of no confidence in October 2008 is probably a poor guide for today's situation. Last fall, Topolanek's government was helped when the two Green rebel MPs (Vera Jakubkova and Olga Zubova) as well as the three ODS rebels (Tlustý, Schwippel and Juraj Raninec) decided not to support the opposition's motion. Topolanek cannot be certain that this will happen again. Jakubkova and Zubova, for example, were expelled from the Green party on March 8, giving them another reason to raise their hands in the upcoming no-confidence vote against the government. But the biggest threat for Topolanek is the apparent engagement on the part of Klaus. The ODS rebels are all close associates of Klaus, and his voice will carry great weight with them.

COMMENT: DOMESTIC AND EU PRESIDENCY IMPACT

¶14. (C) The no-confidence vote may bring an early end to the Topolanek government, or at the very least, will further undermine it. Regardless of the vote's result, a period of uncertainty and paralysis is probably in store, as the country's politicians jockey for position in advance of the next parliamentary elections, the timing of which remains unclear. Even before this crisis erupted, Topolanek privately admitted that he does not have a majority in the parliament to pass any substantial legislation. In that regard, at least, the demise of his government would change little. From the U.S. standpoint, however, his possible departure from the Czech political scene could mean a weakening in the trans-Atlantic orientation in the Czech foreign and security policy, as Czech leaders become consumed by domestic political concerns.

¶15. (C) With regard to the Czech EU presidency, a good contact at the Prague mission of the European Commission told us privately that they are watching the latest developments very closely and are concerned. In the short term, the no-confidence vote is likely to be a serious distraction for PM Topolanek and his ministers, who are supposed to be leading EU discussions on a number of priority issues. If things evolve badly for Topolanek domestically, procedurally the Czechs remain the representative of the European Union, regardless. According to a Council Secretariat official seconded to the Czech MFA, the EU has had a member state government fall during leadership of the EU before, although nobody could recall exactly how long ago this had occurred. There are also examples of small member states designating other member states to act in their stead on certain topics (as Luxembourg did with the Dutch in 2005), so the EU has been able to "muddle through." Unfortunately, with all of the different crises around the world and the need for a strong EU partner to complement U.S. efforts, a Presidency country consumed by domestic matters or a reconstituted, new government learning the ropes will complicate our engagement with the EU. The Commission contact assured us that even if the Topolanek government loses confidence and rules as an outgoing government, EU events, including the April U.S.-EU Summit would continue as planned.
Thompson-Jones